designed to make the DISC*S system fully compatible with IDSL. See Chapman Aff. ¶ 66. SWBT has also budgeted more than two million dollars to buy new test sets and upgrade existing ones to ensure that it can fully test BRI ISDN loops ordered for IDSL service. Id. ¶ 69. Once fully implemented, SWBT expects these changes to improve markedly CLECs' ability to provision IDSL service over BRI ISDN loops. In the meantime, SWBT continues to perform workarounds and network redesigns that enable CLECs to provide IDSL service. Accordingly, SWBT provides nondiscriminatory access to BRI loops in Missouri, offering data CLECs a meaningful opportunity to compete. Id. ¶ 68.

f. SWBT's Broadband Service Offering

On September 8, 2000, the Commission agreed to modify the terms of the SBC/Ameritech Merger Conditions so as to allow SBC's incumbent LECs to own, operate, and install the plug-in cards and associated Optical Concentration Devices ("OCDs") integral to SBC's Project Pronto infrastructure deployment.[56] Through the deployment of Next Generation Digital Loop Carrier ("NGDLC") architecture and a massive investment in additional fiber facilities, SBC will eliminate the distance limitations that hinder DSL functionality and extend the availability of DSL services to 20 million customers who could not be served under the existing network architecture. As the Commission explained, SBC's incumbent LECs will provide a broadband service offering on a wholesale basis to affiliated and unaffiliated advanced services providers. See Modification Order, 15 FCC Rcd at 17537, ¶ 30. All carriers, including

[56] See Second Memorandum Opinion and Order, Applications of Ameritech Corp., Transferor, and SBC Communications Inc., Transferee, For Consent to Transfer Control, 15 FCC Rcd 17521, 17537, ¶ 30 (2000) ("Modification Order") ("We take no position on whether SBC's Broadband Offering is subject to sections 251-252 or any other provisions of the Act.").

ASI, can purchase this wholesale service on the same nondiscriminatory terms, and through use of the same pre-ordering and ordering systems.

The Modification Order, as the Commission emphasized, did not alter SBC's incumbent LECs' section 251 obligations, nor did it affect the necessary evidentiary burdens of section 271. See 15 FCC Rcd at 17526-27, ¶ 9, 17537, ¶ 30. Likewise, the Modification Order did not "revise or restrict [the Commission's] existing definition of the local loop or the subloop network elements." Id. at 17537, ¶ 29. Because neither the approval nor the deployment of Project Pronto affects SWBT's existing obligations under the 1996 Act and the Commission's implementing rules, Project Pronto should have no bearing upon this proceeding. See Chapman Aff. ¶ 112; Kansas/Oklahoma Order ¶¶ 244-245.

2. Nondiscriminatory Access to Stand-Alone Loops

As in Texas, Kansas, and Oklahoma, SWBT's loop offerings in Missouri include 2-wire analog loops with 8 dB or 5 dB loss, 4-wire analog loops, 2-wire ISDN digital-grade lines, 4-wire DS1 digital grade lines, and various 2- and 4-wire loops capable of offering xDSL services. See Deere Aff. ¶¶ 90-93. SWBT provides unbundled access to DS3 loops – as required by the UNE Remand Order – through optional amendments to the M2A. See Sparks Aff. ¶ 88 & Attach. B (optional M2A Amendment for UNE Remand Order). Additional loop types are available through the Special Request process described in Part II.A, supra. See Deere Aff. ¶¶ 84-88. For the small percentage of Missouri end users served by integrated digital loop carrier ("IDLC") equipment, SWBT provides unbundled loops through alternative facilities. Id. ¶¶ 107-109.

For CLECs that choose to have SWBT provide loops on a physically separate basis, SWBT offers cross-connects that are matched to the loop type and arrangement selected by the

CLEC. Id. ¶¶ 175-189. For CLECs that use SWBT loops and SWBT switch ports in combination, SWBT provides electronic access to mechanized loop testing ("MLT"), thereby allowing the CLEC to analyze and identify problems with its end users' lines. Id. ¶ 125.[57]

a. DS1 Loops

SWBT provides DS1 loops to Missouri CLECs in less time and with the same quality as it provides DS1 loops to its own retail operations. The data for PM 55-04 (Average Installation Interval – DS1) indicate that SWBT has averaged 5.3 days to provision DS1 service to CLECs over the past 12 months. Over the same time period, the data for PM 43-04 (Average Installation Interval – DS1 Specials) indicate that SWBT has required an average of 14.9 days to provision DS1 service for its own retail operations. See Dysart Aff. ¶ 106.

The fact that SWBT has been unable to satisfy the rigorous "95% within three days" benchmark for PM 56-04.1 has not deprived any Missouri CLEC a meaningful opportunity to compete. Because a retail analogue exists, the relevant metric is that of parity. See Kansas/Oklahoma Order ¶ 28 ("where a retail analogue exists, a BOC must provide access that is equal to (i.e., substantially the same as) the level of access that the BOC provides itself, its customers, or its affiliates, in terms of quality, accuracy and timeliness"). SWBT has performed well above the parity standard, installing DS1 loops for CLEC almost ten days more rapidly than for retail DS1 loop orders.

SWBT has also been in parity for PM 58-06 (Percent SWBT Caused Missed Due Dates – DS1 loop) during each of the past six months, although the absolute numbers suggest that SWBT has missed fewer installation appointments on retail DS1 orders than for CLEC DS1 orders. This disparity is largely artificial, as the results for PM 58-06 (Percent SWBT Caused Missed

[57] See Part II.B.5, supra, for a discussion of UNE pricing in Missouri.

Due Dates – DS1 loop) do not include SWBT's retail provisioning of DS1 circuits purchased out of its access tariffs, which constitute the majority of SWBT's retail provisioning for this product. When SWBT's retail performance on meeting the due date for access DS1 orders is considered, the gap between CLEC and SWBT performance on this measurement narrows considerably. In fact, during the last three months, CLEC missed due dates and SWBT missed due dates are nearly identical when access DS1s are included.[58] See Dysart Aff. ¶ 108.

As with the provisioning of xDSL loops, the lack of facilities has a significant impact on SWBT's ability to meet both its retail and CLEC due date commitments for DS1 loops. See id. ¶ 110. As Bill E. VanDeBerghe explains, SWBT has already taken significant steps to improve its timely provision of DS1 circuits, and these efforts are clearly reflected in the improved performance under PM 58-06 over the past two months. See VanDeBerghe Aff. ¶¶ 51-53; see also Dysart Aff. ¶ 110 (performance improved from 32.2 percent missed due dates in January to 20.2 percent in February).

The DS1 loops that SWBT provisions for Missouri CLECs are of the same quality as the circuits that SWBT provides its retail customers. SWBT has achieved parity for PM 59-05 (Percent Installation Reports (Trouble Reports) Within 30 Days (I-30) of Installation – DS1 Loop) during each of the last 12 months in Missouri. See Dysart Aff. ¶ 112 & Attach. B (PM 59-05). Likewise, the 12-month average trouble report rate experienced by CLECs (3.5 percent) is less than that experienced by SWBT (3.8 percent) as reflected in the results for PM 65-05

[58] In the past three months, the percentage of CLEC missed due dates went down from 35 percent in December, to 32.2 percent in January, to 20.2 percent in February. The percentage of SWBT missed due dates went from 37.9 percent in December, to 29.7 percent in January, to 20.4 percent in February. See Dysart Aff. ¶ 108 n.52.

(Trouble Report Rate – DS1 Loop with Test Access). SWBT has achieved parity during each of the last 12 months. See id. ¶ 112.

b. The NID and Subloop Unbundling

In addition to loops themselves, CLECs are able to obtain and use the NID under terms and conditions established by the Missouri PSC. See Deere Aff. ¶¶ 79-83. CLECs may connect to the customer's inside wire at SWBT's NID at no charge, or they may pay SWBT to perform any NID repairs, upgrades, disconnects, or rearrangements they desire. Id. ¶ 81. SWBT also provides and connects the NID at no additional charge when CLECs order an unbundled loop. Id. ¶ 82. Recognizing that CLECs will likely provide their own NID when serving multiple dwelling units ("MDUs"), SWBT will relocate or rearrange the SWBT NID at an MDU to allow access to inside wiring. Id. ¶ 83; M2A Attach. 6 – UNE, § 3.5.

In Missouri, CLECs can order sub-elements of the local loop from SWBT on an unbundled basis. See Deere Aff. ¶¶ 96-106. Available sub-elements include loop distribution facilities (the segment of a loop between a remote terminal and an end user's network interface device or other point of demarcation), id. ¶ 98; dark fiber, id. ¶¶ 100-102; and the digital loop carrier, id. ¶ 106. These subloop offerings satisfy this Commission's new subloop unbundling requirements. See UNE Remand Order, 15 FCC Rcd at 3789-800, ¶¶ 206-229. Indeed, this Commission has previously approved of SWBT's dark fiber and subloop unbundled offerings. Id. at 3786, ¶ 199, 3799, ¶ 227 & n.445.

c. Performance

Comprehensive performance measurements confirm SWBT's ability to process unbundled-loop orders, to provision these loops, and to bill for them, all the while ensuring that these transactions flow through SWBT's systems in a timely and accurate fashion. See generally

Dysart Aff. ¶¶ 53-123. Indeed, SWBT's performance in the ordering, provisioning, maintenance, and repair of unbundled loops in Missouri is at least as good as in Texas, Kansas, and Oklahoma. See id. ¶¶ 34-35.

SWBT's performance in the processing, provisioning, maintenance, and repair of unbundled loop requests has been superb, providing all CLECs a meaningful opportunity to compete to serve local customers statewide. In fact, SWBT has achieved parity or the associated benchmark for 84.9 percent of the unbundled local loop measures during the December 2000 – February 2001 period in Missouri. See id. ¶ 54. SWBT provides competing carriers with voice-grade unbundled loops in substantially the same time and manner as it does in serving SWBT's own retail customers. Id. Over the past 12 months, SWBT has installed 95.2 percent of 8.0 dB loops within the applicable three-day time period, and the average installation interval for all 8.0 dB loops has been three days. See id. ¶ 101. For both residential and business service, and across loop type, the percentage of SWBT-caused missed due dates has been higher for SWBT retail customers than for CLECs. Id. Attach. B (UNE loop and port combinations, 5.0 dB and 8.0 dB loops, and BRI loops (PMs 29-05, 58-01, 58-02, 58-04, 58-06)). CLECs have experienced troubles at a lesser rate than SWBT's retail customers, with an average monthly trouble rate for 8.0 dB loops with test access (PM 65-01) of only 0.8 percent, as compared to 2.1 percent for SWBT's retail customers. Id. ¶ 103. CLECs have also received faster and superior quality repair services (PMs 67-01, 67-02, 67-03, 67-05, 69-01) for each of the past three months. Id. ¶ 105 & Attach. B.

Provisioning performance data additionally show that SWBT has met or exceeded the 95-percent five-hour FOC return benchmark for loop orders submitted over the EDI or LEX interface for each of the past three months. See id. Attach. A (PMs 5-01, 5-04, 5-07). Likewise,

SWBT met or exceeded the 94-percent 24-hour FOC return benchmark for complex business orders submitted over the LEX interface for each of the past three months. See id. (PM 5-02). Finally, SWBT easily exceeded the 95-percent 24-hour FOC return benchmark for manually submitted loop orders over that same time period. See id. (PMs 5-29, 5-30).

d. Coordinated and Frame Due Time Conversions ("Hot Cuts")

As in Texas, Kansas, and Oklahoma, SWBT offers Missouri CLECs a choice between two different methods of coordinated conversions – the fully coordinated hot cut ("CHC") process and the frame due time ("FDT") hot cut process – allowing CLECs to select the process that best fits their resources and priorities. See Final Missouri PSC Order at 49; D. Smith Aff. ¶ 34. The same CHC and FDT processes, procedures, and performance measurements evaluated and approved by the Commission when reviewing SWBT's Kansas, Oklahoma, and Texas applications for interLATA authority are used in Missouri as well. Id. ¶ 35. SWBT also has ample resources to satisfy CLEC demand for either CHC or FDT conversions, providing Missouri CLECs the ability to "choose freely between the CHC and FDT hot cut processes." Kansas/Oklahoma Order ¶ 201; Texas Order, 15 FCC Rcd at 18487, ¶ 261. Because SWBT provisions high-quality coordinated conversions in a timely manner and with a minimum of service disruption, SWBT provides CLECs a meaningful opportunity to compete. Kansas/Oklahoma Order ¶ 201; Texas Order, 15 FCC Rcd at 18487, ¶ 261.

In the Texas, Kansas, and Oklahoma proceedings, SWBT demonstrated that its CHC process satisfied this Commission's hot cut standards for timeliness, quality, and minimal installation troubles. See Kansas/Oklahoma Order ¶¶ 202-207; Texas Order, 15 FCC Rcd at 18487, ¶ 261. In the Texas proceeding, SWBT additionally demonstrated that it provisions FDT hot cuts in a timely manner and with a minimum number of troubles following installation, but

the number of service disruptions for FDT hot cuts exceeded the relevant benchmark. Texas Order, 15 FCC Rcd at 18492, ¶ 271.[59] During the Texas, Kansas and Oklahoma proceedings, the Commission made clear that, for purposes of compliance with this checklist item, SWBT could demonstrate that it provided nondiscriminatory access to coordinated conversions through the CHC process alone. Kansas/Oklahoma Order ¶ 201; Texas Order, 15 FCC Rcd at 18492-93, ¶ 272. In Missouri, however, SWBT can demonstrate compliance with the Commission's hot cut standards through both the CHC and the FDT process. See Final Missouri PSC Order at 50.

SWBT's performance in the provisioning of CHC in Missouri easily satisfies the criteria approved by the Commission for demonstrating compliance with this checklist item. See D. Smith Aff. ¶ 35. Specifically, between December 2000 and February 2001, SWBT completed 96.78 percent of CHC conversions (for orders of fewer than ten lines) in Missouri within the one-hour time frame. Id. ¶ 36. These results are well above the 90-percent standard approved by this Commission in the New York and Texas proceedings. See Texas Order, 15 FCC Rcd at 18489, ¶ 264; New York Order, 15 FCC Rcd at 4114-15, ¶ 309. During that same time period, SWBT completed some 97.63 percent of CHC conversions without a premature disconnect and 99.85 percent without a provisioning trouble report ("PTR"), again well above the 95-percent rate for service outages articulated by the Commission. See D. Smith Aff. ¶¶ 38-39; Dysart Aff. Attach. B (PM 115-01). Finally, using the data collected for PM 59 (Percent Installation Reports (Trouble Reports) Within 30 Days (I-30) of Installation), SWBT has calculated trouble reports received on CHC and FDT conversions within seven days of installation (I-7). SWBT received

[59] In the Kansas and Oklahoma proceedings, the Commission found that CLECs had not yet placed a sufficient number of FDT orders to allow the Commission to conclude that SWBT had satisfied this checklist item based on the FDT hot cut process alone. Kansas/Oklahoma Order ¶ 201.

trouble reports within seven days of installation for only 0.95 percent of CHC conversions completed between December 2000 and February 2001, meeting the two-percent benchmark established by this Commission in the New York Order. See id. ¶ 42 & Attach. D.

SWBT's performance in the provisioning of FTD hot cuts in Missouri also satisfies the criteria approved by the Commission for demonstrating compliance with this checklist item. See id. ¶ 35. Specifically, from December 2000 through February 2001, SWBT completed 94.6 percent of FDT conversions (for orders of fewer than ten lines) within one hour, again well above the 90-percent standard approved by this Commission in the New York and Texas proceedings. See id. ¶ 36; Texas Order, 15 FCC Rcd at 18489, ¶ 264; New York Order, 15 FCC Rcd at 4114-15, ¶ 309. During that same time period, SWBT completed 98.85 percent of FDT conversions without a premature disconnect and 99.86 percent without a PTR, well above the 95-percent rate for service outages articulated by the Commission. See D. Smith Aff. ¶¶ 38-39; Dysart Aff. Attach. B (PM 115-02). Finally, SWBT received trouble reports within seven days for only 2.15 percent of FDT conversions completed between December 2000 and February 2001, in line with the two-percent benchmark established by this Commission in the New York Order. See id. ¶ 42 & Attach. D.

E. Checklist Item 5: Unbundled Local Transport

Section 271(c)(2)(B)(v) of the competitive checklist requires SWBT to offer "[l]ocal transport from the trunk side of a wireline local exchange carrier switch unbundled from switching or other services." 47 U.S.C. § 271(c)(2)(B)(v); see also 47 C.F.R. § 51.319(d). SWBT provides access in Missouri to both dedicated interoffice transport and shared (common) transport consistent with the Commission's unbundling requirements. Deere Aff. ¶¶ 128-147; Sparks Aff. ¶¶ 124-128; M2A Attach. 6 – UNE, § 8.0. In addition to these standard offerings, a CLEC may obtain new or additional unbundled transport elements through the Special Request

process. See Deere Aff. ¶ 147. The terms and conditions for local transport in the M2A are the same as those in the T2A, K2A, and O2A and include the provision of interoffice dark fiber in conformance with the UNE Remand Order. Id. ¶¶ 137, 148.

Dedicated Transport. Dedicated transport is available at standard transmission speeds of up to OC-48, and is available between wire centers or switches owned by SWBT, a CLEC, or third parties acting on behalf of a CLEC. Id. ¶¶ 133-134. Higher speeds will be provided as they become technically feasible. Id. ¶ 134. SWBT also permits CLECs to use dark fiber as an unbundled element to provide dedicated transport. Id. ¶ 137; Sparks Aff. ¶¶ 125-126; M2A Attach. 6 – UNE, § 8.2.2.

SWBT provides cross-connections necessary to extend dedicated transport facilities to points of access designated by a CLEC. See Deere Aff. ¶ 146. In addition, SWBT offers CLECs the use of its Digital Cross-Connect System – which allows CLECs to exchange signals between high-speed digital circuits without returning the circuits to analog electrical signals – with the same functionality that SWBT provides its IXC customers. Id. ¶¶ 138-146.

Shared Transport. In accordance with the "shared transport" requirements of the Commission's UNE Remand Order, SWBT makes available shared (or "common") transport between SWBT central office switches, between SWBT tandem switches, and between SWBT tandem switches and SWBT central office switches. See Sparks Aff. ¶ 128; Deere Aff. ¶ 132; M2A Attach. 6 – UNE, § 8.1.1. This shared transport offering enables CLECs to have their traffic carried on the same transport facilities that SWBT uses for its own traffic. See Sparks Aff. ¶ 128; Deere Aff. ¶ 132. CLECs using shared transport have access to the same routing tables that SWBT uses for its retail operations. See Sparks Aff. ¶ 128; Deere Aff. ¶ 157. These CLECs may use shared transport to carry originating interexchange access traffic from, and

terminating interexchange access traffic to customers to whom the CLEC is providing local exchange service, while collecting the associated access charges. See Sparks Aff. ¶ 127.

Performance. Available data confirm that CLECs have nondiscriminatory access to dedicated and shared transport elements. For example, SWBT performed in parity for the last three months ending February 2001 under PMs 59-06, 60-06, 62-07, 65-06 (respectively, Trouble Reports Within 30 Days of Install, Percent Missed Due Dates Due to Lack of Facilities, Average Delay Days for Missed Due Dates, and Trouble Report Rate, for DS1 Dedicated Transport). See Dysart Aff. ¶ 127 & Attach. I; see also id. (PM 65-12, Trouble Report Rate – DS-3 Dedicated Transport). Overall, SWBT achieved 90.5 percent performance for measurements associated with this checklist item. See id. ¶ 124. The Missouri PSC has concluded that SWBT's dedicated and shared transport offerings satisfy this checklist requirement. See Final Missouri PSC Order at 81.

F. Checklist Item 6: Unbundled Local Switching

As the Missouri PSC found, SWBT also satisfies section 271(c)(2)(B)(vi), which requires that a BOC provide local switching unbundled from transport, local loop transmission, or other services. See id. SWBT provides CLECs unbundled switching capability with the same features and functionality available to SWBT's own retail operations, in a nondiscriminatory manner. Deere Aff. ¶¶ 150-152. This offering is proven through actual commercial provisioning, as SWBT has furnished more than 47,500 unbundled switch ports in Missouri through February 2001, mostly in combination with unbundled local loops. See Tebeau Aff. Attach. A. The terms and conditions for local switching in the M2A are the same as those in the K2A and O2A and include the provision of packet switching in accordance with the UNE Remand Order. Deere Aff. ¶¶ 150-151, 164.

Available Facilities and Functions. SWBT provides requesting carriers access to line-side and trunk-side switching facilities, plus the features, functions, and capabilities of the switch. Id. ¶¶ 152-154; Sparks Aff. ¶ 129; M2A Attach. 6 – UNE, § 5.1; see also Second Louisiana Order, 13 FCC Rcd at 20722-23, ¶¶ 207-209; Texas Order, 15 FCC Rcd at 18520-21, ¶¶ 336-338. SWBT's offerings include, among other things, the connection between a loop termination and a switch line card, Deere Aff. ¶ 152; the connection between a trunk termination and the trunk card, id. ¶ 153; all vertical features the switch is capable of providing, id. ¶¶ 154, 161; and any technically feasible routing features, id. ¶ 145.

SWBT also provides CLECs access to all call origination and completion capabilities of the switch, including capabilities for intraLATA and interLATA calls. Id. ¶ 156. Unbundled packet switching and unbundled tandem switching also are available. Id. ¶¶ 164-170. SWBT provides CLECs with the necessary cross-connects for local switching. Id. ¶¶ 174-189. SWBT also furnishes CLECs with usage records that enable them to collect from their customers all exchange access and reciprocal compensation charges associated with these capabilities. See Sparks Aff. ¶¶ 130-134.

Customized Routing. SWBT provides two methods by which CLECs using unbundled local switching may have calls "custom routed" according to their own specifications. These are Advanced Intelligent Network ("AIN") and line class codes. See Deere Aff. ¶¶ 158-159. AIN is the standard method. Id. ¶ 158. AIN is a vendor-independent network architecture that allows the creation of customized telecommunications services. Id. ¶¶ 240-250. In a few low-volume applications where AIN is not technically feasible (such as for hotel/motel services, certain coin services, and ports using voice-activated dialing), SWBT employs line class codes to custom-route CLEC calls. Id. ¶ 159. SWBT has thus far received no orders for customized routing

using line class codes and does not expect to receive such orders in any sizable volumes. Id. ¶ 160.

G. Checklist Item 7: Nondiscriminatory Access to 911, E911, Directory Assistance, and Operator Call Completion Services

In the Texas Order, the Commission held that SWBT satisfied the requirements of 47 U.S.C. § 271(c)(2)(B)(vii) by making emergency, directory assistance ("DA"), and operator services ("OS") available to carriers that wanted them. See 15 FCC Rcd at 18524-25, ¶¶ 344, 349; accord Kansas/Oklahoma Order ¶ 255. Because SWBT offers 911, OS, and DA services in Missouri on the same terms and conditions as in Texas, Kansas, and Oklahoma and employs substantially the same systems, processes, and procedures to provide those services across its region, SWBT also satisfies this checklist item in Missouri. See generally Deere Aff. ¶¶ 191-210; Rogers Aff. (App. A, Tab 7). The offerings and performance discussed briefly below should give this Commission further assurance by which to come to the same conclusion.

911. E911 is offered in the M2A under the same terms and conditions as SWBT has available in the O2A, K2A, and T2A. Deere Aff. ¶ 211. SWBT has installed 111 E911 trunks to serve CLECs in Missouri through February 2001. See Tebeau Aff. Attach. A. SWBT's performance measures assessing the accuracy and timeliness of CLECs' E911 database updates show continued nondiscriminatory performance for CLECs in Missouri. Dysart Aff. ¶ 133 & Attach. K (PMs 103, 104). From December 2000 through February 2001, there were no errors in CLECs' updates in Missouri, and SWBT has uniformly performed 911 database updates for CLECs in substantially less time than it performs this service for itself. Id.

Directory Assistance/Operator Services. SWBT's OS/DA are operated and managed on a five-state basis, and thus SWBT makes the same OS/DA offerings available to CLECs operating in Missouri as to CLECs operating in Texas, Kansas, and Oklahoma. See Rogers Aff. ¶ 7.

Thirty-five CLECs utilize SWBT's OS offerings in Missouri, while 37 CLECs utilize its DA offerings. See Tebeau Aff. Attach. A.

Because SWBT's systems process all calls on a first-come, first-served basis and do not distinguish between a call originated by a SWBT customer and one by a CLEC customer, SWBT reports aggregated DA and OS performance for all carriers' end user calls. Dysart Aff. ¶ 135.[60] Any other arrangement would introduce into SWBT's systems a possibility of disparate treatment that currently does not exist. For database updates, SWBT has met PMs 110 through 112 assessing SWBT's performance for accuracy and timeliness in the past three months, and SWBT has hit 100 percent for PMs 110 and 112 over the past 12 months. Dysart Aff. ¶ 134 & Attach. B (PMs 110-112).

SWBT is also in compliance with this Commission's recently issued order concerning Directory Listing Information under the Act.[61] SWBT allows all CLECs nondiscriminatory access to its DA databases, as well as third party DA providers who are acting as agents or independent contractors for CLECs. Rogers Aff. ¶ 27 n.31; Directory Listings Order ¶¶ 14, 27. As the Missouri PSC has found, SWBT is fully in compliance with this checklist item. See Final Missouri PSC Order at 82.

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[60] Therefore, SWBT's performance is in parity notwithstanding the fact that SWBT did not meet its benchmark for DA average speed of answer. See Dysart Aff. ¶ 135 & Attach. K (PMs 80-01 & 82-01) (pointing out that SWBT did meet its performance benchmark for OS average speed of answer).

[61] First Report and Order, Provision of Directory Listing Information under the Telecommunications Act of 1934, As Amended, CC Docket No. 99-273, FCC 01-27 (rel. Jan. 23, 2001) ("Directory Listings Order").

H. Checklist Item 8: White Pages Directory Listings

Section 271(c)(2)(B)(viii) requires SWBT to provide "[w]hite pages directory listings for customers of the other carrier's telephone exchange service." 47 U.S.C. § 271(c)(2)(B)(viii). In the Texas Order, the Commission found that SWBT satisfied the requirements of this checklist item. See 15 FCC Rcd at 18380, ¶ 355. Commenters in the Kansas and Oklahoma proceeding provided no evidence to counter this finding, and the Commission reiterated its assertion that "SWBT satisfies the requirements of checklist item 8." Kansas/Oklahoma Order ¶ 247. Since SWBT provides access to White Pages directory listings in Missouri using substantially the same procedures and processes as in Texas, Kansas, and Oklahoma, SWBT also satisfies this checklist item in Missouri. See Rogers Aff. ¶¶ 4-7, 52-70; see also Final Missouri PSC Order at 57-58.

SWBT continues to maintain its showing of a nondiscriminatory offering of Checklist Item 8. Through February 2001, SWBT has provided CLECs in Missouri with more than 167,500 White Pages directory listings. See Tebeau Aff. Attach. A. The Missouri PSC expressly found that "SWBT provides adequate White Pages directory listings in compliance with section 271(c)(2)(B)(viii)." Final Missouri PSC Order at 58.

I. Checklist Item 9: Nondiscriminatory Access to Telephone Numbers

When it served as Central Office ("CO") Code Administrator in its region, SWBT satisfied the requirement of 47 U.S.C. § 271(c)(2)(B)(ix) by following number administration guidelines published by the Industry Numbering Committee. See generally Adair Aff. (App. A, Tab 2). Pursuant to those industry-standard procedures, SWBT assigned 147 NXX central office codes representing 1.47 million telephone numbers to 16 CLECs in Missouri. Id. ¶ 13. SWBT utilized identical standards and procedures for processing all number requests, regardless of the requesting party, and charged no fees for activating CO codes. SWBT did not turn down any

requests for NXX code assignments, other than in the course of implementing jeopardy plans for number conservation that had been developed by the Missouri PSC and interested industry participants. Id. ¶¶ 13-14.

On February 1, 1999, Lockheed Martin assumed CO code administration responsibilities in Missouri, and SWBT has had no responsibility for number administration since that time. Id. ¶ 19. Although it is no longer a CO code administrator, and no longer performs any functions with regard to number administration or assignment, SWBT continues to adhere to all relevant industry guidelines and Commission rules, including those provisions requiring accurate reporting of data to the Code Administrator. Id. The Missouri PSC has concluded that SWBT has satisfied this checklist requirement. See Final Missouri PSC Order at 83.

J. Checklist Item 10: Nondiscriminatory Access to Databases and Associated Signaling Necessary for Call Routing and Completion

Checklist Item 10 requires a BOC to provide "[n]ondiscriminatory access to databases and associated signaling necessary for call routing and completion." 47 U.S.C. § 271(c)(2)(B)(x). In the Texas Order, this Commission held that SWBT satisfied this checklist item, and the Commission reiterated that finding in the Kansas/Oklahoma Order. Texas Order, 15 FCC Rcd at 18532, ¶ 364; Kansas/Oklahoma Order ¶ 255. Because SWBT provides signaling and call-related databases on the same terms and conditions, employing substantially the same relevant systems, processes, and procedures in Missouri as it does in Texas, Kansas, and Oklahoma, SWBT provides nondiscriminatory access to signaling and call-related databases in Missouri. Deere Aff. ¶¶ 214-250; Rogers Aff. ¶¶ 4-7, 71-87; see also Final Missouri PSC Order at 83-84.

K. Checklist Item 11: Number Portability

In the Texas Order, the Commission held that SWBT was providing both permanent number portability and interim number portability in conformance with the requirements of this checklist item. 15 FCC Rcd at 18535, ¶ 371. The Commission reached the same conclusion with respect to Kansas and Oklahoma. Kansas/Oklahoma Order ¶ 255. Because number portability is provided using the same systems and processes throughout the five-state SWBT region, SWBT's compliance in Texas, Kansas, and Oklahoma effectively demonstrates that it satisfies this requirement in Missouri as well. See Final Missouri PSC Order at 84-85.

In accordance with Checklist Item 11, CLECs served 245,300 numbers ported from SWBT in Missouri through the end of February 2001. See Orozco Aff. ¶ 28 (App. A, Tab 6). Whether ported with unbundled local loops or on a stand-alone basis, these numbers were ported in a timely and efficient manner, without unreasonable service disruptions.

Long-Term Number Portability. As the Affidavit of Gilbert T. Orozco describes, SWBT has implemented LNP using the Location Routing Number ("LRN") method that this Commission "prefer[s]."[62] LNP is operational in 246 switches, serving over 97 percent of SWBT's access lines in Missouri. See Orozco Aff. ¶ 7. CLECs may order LNP through SWBT's electronic interfaces. Id. ¶ 26. Rigorous third-party testing as well as actual operational experience have established these systems' ability to support ordering, maintenance and repair, and billing of LNP. Id. ¶ 19.

To minimize disruptions of service while numbers are being ported, SWBT uses an unconditional ten-digit trigger ("UCT") process. Id. ¶ 22. UCT is activated on the customer's number upon receipt of the initial porting order. Id. When the CLEC activates its switch port,

[62] Second Report and Order, Telephone Number Portability, 12 FCC Rcd 12281, 12287, ¶ 8 (1997).

calls to the customer's telephone number are routed automatically to the CLEC's switch. Id. This makes it unnecessary for SWBT and the CLEC to coordinate LNP cutovers on a minute-to-minute basis for simple porting requests. Id. For large, complex orders, and in the few geographic areas where UCT is not feasible, however, SWBT does conduct coordinated LNP conversions with CLECs. Id. ¶ 23.

In July 1999, this Commission approved SWBT's monthly end-user charge and a database query service charge for LNP. Id. ¶¶ 28-31; see also Memorandum Opinion and Order, Long-Term Number Portability Tariff Filings, 14 FCC Rcd 11883, 11928-36, ¶¶ 101-115 (1999).

Interim Number Portability. Pending implementation of LNP, SWBT developed interim number portability ("INP") as a temporary means of enabling facilities-based CLECs' customers to retain their phone numbers when they switched to a new local service provider. See Deere Aff. ¶¶ 254-257. In the very limited circumstances where INP is still used, it is available in accordance with Commission requirements. Id. As an alternative to INP, SWBT will also migrate a NXX code to a CLEC where all numbers in the code will be served by the CLEC. Id. ¶ 259.

As required by the Commission, SWBT shares terminating access revenues with CLECs for customer lines still ported via INP. See Second Louisiana Order, 13 FCC Rcd at 20766, ¶ 287; M2A Attach. 12 – Compensation, § 9.

Performance. In Missouri, SWBT has met 100 percent of the LNP-related performance benchmarks for which statistically significant data is available, including PM 92 (Percentage of Time the Old Service Provider Releases the Subscription Prior to the Expiration of the Second 9 Hour (T2) Timer), PM 96 (Percentage Pre-Mature Disconnects for Stand Alone LNP Orders), PM 100 (Average Time of Out of Service for LNP Conversions), and PM 101 (Percent Out of

Service for Less Than 60 Minutes). See Dysart Aff. Attach. A (PMs 92, 96, 100 & 101); D. Smith Aff. ¶ 46.

L. Checklist Item 12: Local Dialing Parity

SWBT provides nondiscriminatory access to services and information that are necessary to allow local dialing parity in Missouri on the same terms and conditions using the same procedures and processes it uses in Texas, Kansas, and Oklahoma, see Deere Aff. ¶¶ 264-266. This Commission found that Southwestern Bell has satisfied this checklist item in Texas, Kansas, and Oklahoma. See Texas Order, 15 FCC Rcd at 18537, ¶ 375; Kansas/Oklahoma Order ¶ 255. The Missouri PSC has explicitly found that SWBT complies with this checklist item in Missouri. See Final Missouri PSC Order at 85.

M. Checklist Item 13: Reciprocal Compensation for the Exchange of Local Traffic

Traffic exchanged between SWBT and CLECs serves as one measure of actual local competition. Consistent with sections 271(c)(2)(B)(xiii) and 252(d)(2), SWBT facilitates such exchanges by entering into just and reasonable reciprocal compensation arrangements for transport and termination of local traffic on the other carrier's network. In the Kansas/Oklahoma Order, based on the options offered to CLECs under the K2A and the O2A, the Commission found that SWBT satisfied this checklist item. See Kansas/Oklahoma Order ¶ 249. The options available under the M2A are the same as those available under the K2A and O2A. Interconnection agreements in Missouri contain negotiated rates for the mutual exchange of local traffic, as well as rates and terms that have been established by the Missouri PSC through arbitration. See Sparks Aff. ¶ 138.

Pursuant to these reciprocal compensation arrangements, SWBT has received 76 million minutes of traffic from CLECs since January 1, 1997; CLECs have received nearly 900 million

minutes of traffic – both local and ISP-bound – from SWBT. See Tebeau Aff. Attach. A. This traffic has been accurately accounted for, and the appropriate parties have been compensated at lawful rates. See Sparks Aff. ¶¶ 145-146.

Rates. In the M2A, SWBT offers alternative arrangements for reciprocal compensation. See id. ¶ 138. One alternative is bill-and-keep; the second option is to negotiate and, if necessary, arbitrate terms governing reciprocal compensation while operating under the other terms of the M2A. Id. ¶¶ 139-140. In addition to the options available under the M2A, the Missouri PSC has established rates for transport and termination as described in the Affidavit of Rebecca L. Sparks. See id. ¶¶ 141-144; M2A Attach. 12 – Compensation.

Usage Data and Billing. SWBT records usage data for traffic passed between its network and CLECs' networks, including usage data for terminating access and 800-number traffic. Sparks Aff. ¶¶ 131-132, 145; see also Part II.F (local switching), supra. On a monthly basis, SWBT transmits summaries of this usage information to the terminating CLEC for billing. See Sparks Aff. ¶ 145. For CLECs using SWBT's unbundled local switching, however, calls originating from a third-party, facilities-based carrier and terminating to the CLEC are identified in usage recordings simply as being routed to SWBT's assigned telephone numbers. Id. ¶¶ 147-148. SWBT is currently working with the industry to develop a process for exchanging records necessary for reciprocal compensation under this scenario. Id. In the interim, SWBT has satisfied checklist requirements by implementing a surrogate mechanism with other carriers that credits CLECs for reciprocal compensation on calls terminated from third-party, switch-based providers. Id.; see Second Louisiana Order, 13 FCC Rcd at 20736, ¶ 233.

Internet Traffic. The Commission has determined that "refusing to pay reciprocal compensation for ISP-bound traffic does not violate checklist item 13's requirements . . . ."

Kansas/Oklahoma Order ¶ 251. The Missouri PSC has found that SWBT is in compliance with its existing orders on this issue, see Final Missouri PSC Order at 85-86. The Missouri PSC has made no determination requiring payment of local reciprocal compensation on Internet-bound traffic. See Sparks Aff. ¶ 137.

N. Checklist Item 14: Resale

SWBT's resale offerings allow CLECs to enter the local market in Missouri with virtually no investment or delay. This is confirmed by the presence of CLECs reselling more than 97,800 lines in Missouri, see Tebeau Aff. ¶ 33 & Table 6. The Missouri PSC has established a wholesale discount rate of 19.2 percent applicable to all services except operator services and 13.9 percent for operator services. First Arbitration Order at 3; see B. Smith Aff. ¶ 41. These discounts have been incorporated into the M2A. See M2A Attach. 1 – Resale, App. Services/Pricing § 14.1; Sparks Aff. ¶ 175.

The telecommunications services that Southwestern Bell provides CLECs for resale are identical to the services that Southwestern Bell furnishes its own retail customers. See Sparks Aff. ¶ 21. CLECs are able to sell these services to the same customer groups and in the same manner as Southwestern Bell. Id. ¶ 151. Southwestern Bell offers wholesale discounts on promotional offerings lasting more than 90 days. Id. ¶ 155; M2A Attach. 1 – Resale, § 4.2. For retail services that Southwestern Bell offers to a limited group of customers (such as grandfathered services), Southwestern Bell allows resale to the same group of customers to which it sells the services, in accordance with 47 C.F.R. § 51.615. See Sparks Aff. ¶ 156. Southwestern Bell's customer-specific proposals are available for resale to similarly situated customers without triggering termination liability charges or transfer fees to the end user. Id. ¶ 158; M2A Attach. 1 – Resale, § 1.3.

SWBT's OSS allow resellers to access pre-ordering, ordering and provisioning, maintenance and repair, and billing functions for resold services in an efficient and nondiscriminatory manner. For example, in each of the past 12 months, SWBT has missed more due dates because of lack of facilities for its own orders of residential and business plain old telephone service ("POTS") than it has for CLEC resale orders. See Dysart Aff. ¶ 140 (PMs 30-01 & 30-02). Moreover, in the past ten months, only 0.53 percent of orders for UNE loop and port combinations (representing 13 out of 2,448) were affected by missed due dates caused by a lack of facilities. Id. Attach. B (PM 30-03) (reflecting data from March 2000 through February 2001).

The performance results clearly demonstrate that SWBT provides Missouri CLECs nondiscriminatory access to wholesale arrangements that facilitate the resale of SWBT services. For example, over the past 12 months, installation intervals associated with CLEC orders in Missouri for both residence and business POTS have been shorter than the corresponding installation intervals for SWBT retail residence and business service. See Dysart Aff. ¶ 139 & Table 1; id. Attach. B (PMs 27-01 to 27-06). With respect to POTS resale, SWBT has missed fewer due dates for CLECs than it misses for its own retail operations. See id. Attach. B (PMs 29-01 to 29-06). Resold services are of the same quality as SWBT's retail services, and CLEC resale customers generally report post-provisioning troubles no more frequently than SWBT's retail customers report such troubles. See id. ¶ 141 & Table 2 (PMs 37-01 to 37-03).

Notwithstanding SWBT's superior performance on resale, it did miss a few resale measurements. In two out of the last three months, SWBT missed PM 28-03 (Percent POTS/UNE-P Installations Completed Within the Customer Requested Due Date – No Field Work – Residence). SWBT had provided parity service for ten consecutive months prior to

failing this measure in January 2001. See Dysart Aff. ¶ 149. This appears to be a temporary problem. The 12 month average completion rate for the CLECs (99.82 percent) has been exactly equal to the rate experienced by SWBT's retail customers. Id.

SWBT also fell short of parity during two of the last three months for PM 38-04 (Percent Missed Repair Commitments – Business – No Dispatch). This appears to be largely due to the small number of trouble reports for CLECs' business loops (i.e., four misses out of 68 total trouble reports during the most recent three month period). This small number of trouble reports essentially requires SWBT to have no missed repair commitments in order to achieve parity. The results of this measure do not, therefore, reflect an actual service problem by SWBT. See id. ¶ 150.

SWBT also missed an ISDN/PRI measure during the most recent three month period. Parity was missed for PM 44-07 (Percent (Specials) Installations Completed Within The Customer Requested Due Date – ISDN/PRI) during January and February when the percentage of orders installed within 20 days was not statistically equivalent between the CLECs and SWBT in Missouri. However, the data reveal that CLECs have averaged 88.3 percent of their orders completed within 20 days during the last 12 months as compared to only 60.5 percent completion rate for SWBT. Furthermore, SWBT has achieved parity on this measure during eight out of the last 12 months. Id. ¶ 151.

Southwestern Bell offers its retail services for resale in accordance with the requirements of sections 251(c)(4) and 252(d)(3). As the Missouri PSC has found, Southwestern Bell has satisfied the requirements under section 271(c)(2)(B)(xiv). See Final Missouri PSC Order at 86.

Finally, on January 9, 2001, the United States Court of Appeals for the D.C. Circuit issued its ASCENT decision, in which it effectively concluded that SWBT's separate advanced

services affiliate – ASI – was obligated, under section 251(c), to sell to competing carriers at a wholesale discount the advanced services it provides at retail. ASCENT, 235 F.3d at 668. In order to comply with this new requirement, ASI has negotiated and entered into an interconnection agreement with Logix Communications Corporation ("Logix") (App. G, Tab 114) to offer advanced services under terms and conditions that are consistent with section 251(c). That agreement was submitted for approval to the Missouri PSC on March 9, 2001. See Brown Aff. ¶ 36. As this Commission urged in the Kansas/Oklahoma Order, SWBT has "act[ed] promptly to come into compliance with section 251(c)(4) in accordance with the terms of the court's decision." Kansas/Oklahoma Order ¶ 252 n.768.[63]

III. SOUTHWESTERN BELL'S ENTRY INTO THE INTERLATA SERVICES MARKET IN MISSOURI WILL PROMOTE COMPETITION AND FURTHER THE PUBLIC INTEREST

Under section 271, this Commission is required to determine whether interLATA entry "is consistent with the public interest, convenience, and necessity." 47 U.S.C. § 271(d)(3)(C). SWBT's provision of interLATA services in Missouri easily satisfies this requirement. See Final Missouri PSC Order at 87 (concluding that "there is no serious dispute that SWBT's entry into the long-distance market will likely help to drive the rates paid by residential and small-business consumers closer to the costs of providing service and increase consumer choice for long-distance services").

This Commission concluded in its Kansas/Oklahoma Order "that approval of this [application] is consistent with the public interest. In reaching this determination, [this

[63] Under the terms of the ASCENT decision, ASI's new obligations are not limited to resale under section 251(c)(4). Therefore, the ASI-Logix Agreement, to the extent appropriate and applicable, also provides for interconnection, unbundled network elements, and collocation pursuant to the requirements of section 251(c). See generally Brown Aff. ¶¶ 50-71; ASI-Logix Agreement §§ 15-32.

Commission found] that compliance with the competitive checklist is itself a strong indicator that long distance entry is consistent with the public interest. This approach reflects the Commission's years of experience with the consumer benefits that flow from competition in telecommunications markets." Kansas/Oklahoma Order ¶ 266.[64] The Commission has long recognized that the benefits of new entry in long distance presumptively outweigh any risk of harm.[65] That presumption is especially apt when applied to this application. MCI's merger with WorldCom effectively eliminated the only facilities-based entrant into the interLATA market since the breakup of the Bell System. The need for SWBT to enter and energize the interLATA market in Missouri has never been more acute.

A. Consumers Are Clearly Benefiting from Bell Company Entry into the In-Region, InterLATA Market

Uniform historical experience confirms the benefits of in-region, interLATA entry by the BOCs; Texas and New York are the clearest examples. SBC can now provide customers with a

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[64] See also Texas Order, 15 FCC Rcd at 18557-58, ¶ 416; New York Order, 15 FCC Rcd at 4164, ¶ 428 ("BOC entry into the long distance market will benefit consumers and competition if the relevant local exchange market is open to competition consistent with the competitive checklist. As a general matter, [this Commission] believe[s] that additional competition in telecommunications markets will enhance the public interest."); Michigan Order, 12 FCC Rcd at 20741-42, ¶ 381 ("BOC entry into the long distance market will further Congress' objectives of promoting competition and deregulation of telecommunication markets."); Memorandum Opinion and Order, Application of 360° Communications Co., Transferor, and ALLTEL Corp., Transferee, For Consent to Transfer Control of 360° Communications Co. and Affiliates, 14 FCC Rcd 2005, 2017, ¶ 26 (1998).

[65] See Report and Order, Inquiry into Policies to be Followed in the Authorization of Common Carrier Facilities to Provide Telecommunications Service off the Island of Puerto Rico, 2 FCC Rcd 6600, 6604, ¶ 30 (1987) ("plac[ing] a burden on any entity opposing entry by a new carrier into interstate, interexchange markets to demonstrate by clear and convincing evidence that [additional] competition would not benefit the public"); Report and Third Supplemental Notice of Inquiry and Proposed Rulemaking, MTS and WATS Market Structure, 81 F.C.C.2d 177, 201-02, ¶ 103 (1980) (Commission will "refrain from requiring new entrants to demonstrate beneficial effects of competition in the absence of a showing that competition will produce detrimental effects.").